

CLARK HILL PLC
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Attorneys for Milton Manufacturing LLC

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X	
In re:	:
	:
SEARS HOLDINGS CORPORATION, <i>et al.</i>,	:
	:
Debtors.	:
-----X	

Chapter 11
Case No. 18-23538 (RDD)
(Jointly Administered)

NOTICE OF RECLAMATION DEMAND OF MILTON MANUFACTURING, LLC

TO THE DEBTORS AND ALL INTERESTED PARTIES:

PLEASE TAKE NOTICE that Milton Manufacturing, LLC ("Milton") served a demand for reclamation (the "Reclamation Demand") to reclaim certain goods (the "Goods") pursuant to 11 U.S.C. § 546(c) and section 2-702 of the Uniform Commercial Code on October 30, 2018. A copy of the Reclamation Demand (without Exhibit A) is attached hereto as **Exhibit 1**.

PLEASE TAKE FURTHER NOTICE that Milton reserves all of its rights with respect to the Goods, including its right to assert an administrative claim pursuant to 11 U.S.C. § 503(b)(9). By filing this Notice, Milton does not waive: (a) its right to have final orders in non-core matters and/or final orders in core matters where the bankruptcy court lacks the constitutional authority to enter such orders entered by and only after *de novo* review by a federal district court judge; (b) its right to have the reference withdrawn by the federal district court in any matter subject to mandatory or discretionary withdrawal; or (c) any other rights, claims,

actions, or defenses to which Milton is or may be entitled in law or in equity, all of which rights, claims, actions, and defenses are expressly reserved. Milton reserves its rights to amend this Notice.

Respectfully submitted,

CLARK HILL PLC

By: /s/ Joel D. Applebaum
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Date: October 30, 2018

Attorneys for Milton Manufacturing, LLC

EXHIBIT 1

CLARK HILL

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October 30, 2018

Via Overnight Courier and Electronic Mail

Jacqueline Marcus
Weil Gotshal & Manges LLP
767 Fifth Avenue
New York, NY 10153
jacqueline.marcus@weil.com

Via Overnight Courier

Robert A. Reicker
Chief Financial Officer
Sears Holdings Corporation
3333 Beverly Road
Hoffman Estates, IL 60179

Re: *In re Sears Holdings Corporation, et al.*, Case No. 18-23538 (RDD); Demand for
Reclamation of Goods Pursuant to Bankruptcy Code § 546(c) and U.C.C. § 2-702
on behalf of Milton Manufacturing, LLC

Dear Ms. Marcus and Mr. Reicker:

This firm represents Milton Manufacturing, LLC ("Milton") with respect to the above
referenced chapter 11 proceeding.

Milton sold certain goods identified in the purchase orders attached hereto as Exhibit A to
Sears, Roebuck and Co. (the "Debtor") within 45 days of the commencement of the Debtor's
bankruptcy case pursuant to a vendor buying agreement with Sears Holdings Corporation.

Section 2-702 of the Uniform Commercial Code states that where a seller discovers that a
buyer received goods on credit while insolvent, the seller may reclaim the goods upon demand
made within 10 days of receipt of the goods by the buyer. Section 546(c) of title 11 of the
United States Code (the "Bankruptcy Code") extends the lookback period to 45 days. In
addition, pursuant to section 546(c) of the Bankruptcy Code, a demand for reclamation may be
made within 20 days of the commencement of such buyer's bankruptcy case.

Jacqueline Marcus
Robert A. Reicker
October 30, 2018
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Pursuant to the above-referenced statutes, demand is hereby made by Milton for reclamation or return of the goods identified on the purchase orders attached hereto as **Exhibit A** (the "Reclaimable Goods").

Based upon the information currently available to Milton, the Debtor received the Reclaimable Goods on credit while insolvent within the 45 days preceding the commencement of the Debtor's bankruptcy case, and as of the date of this letter, no part of the purchase price has been paid for such Reclaimable Goods. The Reclaimable Goods were delivered without Milton's knowledge of the Debtor's insolvency. Accordingly, Milton hereby demands that all of the Reclaimable Goods be returned to it immediately. In addition, Milton further demands that the Reclaimable Goods be immediately segregated for return to Milton. Milton expressly prohibits the Debtor from making any sales of the Reclaimable Goods to others. The Reclaimable Goods shall be held in trust for Milton pending their return.

Please promptly confirm that the Debtor will honor Milton's reclamation demand for the Reclaimable Goods.

This letter is not a waiver or relinquishment of any rights or remedies available to Milton, including the right of Milton to assert an administrative claim pursuant to section 503(b)(9) of the Bankruptcy Code (which right is expressly reserved). Milton reserves all other rights, claims, remedies, defenses, and offsets to the fullest extent.

Thank you for your attention to this matter.

Sincerely,

CLARK HILL PLC



Joel D. Applebaum

cc: Louis Thurman (via email)
John Stevenson (via email)

CLARK HILL